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FOREIGN SERVICE DESPATCH

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FROM : AmEmbassy TEHRAN

481

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 8, 1961

DATE

REF :

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SUBJECT: Shatt al Arab: Abadan Berthing Question

The attached memorandum reports statements made by Dr. Ezatollah AMELI in a recent conversation covering a review of the Abadan berthing issue between Iran and Iraq. Dr. Ameli is the Iranian Foreign Ministry's "desk officer" responsible for Iran-Iraq affairs.

Summary

In brief, Dr. Ameli stated that the recent action taken by the Iranian Government is intended to force the Iraqi Government to acquiesce in or come to an agreement allowing Iran to take over ship berthing operations at Abadan. Hitherto, Iraqi berthing services at Abadan were performed on the basis of a verbal arrangement between the Consortium and the Basra Port Authority, confirmed only by a memorandum of conversation. Written notice has been given cancelling this arrangement.

The Abadan dispute is a technical rather than a political question. If necessary to insure Iraqi authorities that navigation in the Shatt will not be endangered, Iranian port officials could employ former Iraqi personnel engaged at Abadan. The point at issue is the establishment of Iranian responsibility within Iranian waters. Since this question is confined to the matter of ship movements entirely within Iranian territory, and since it is the Iraqis who refuse to provide pilotage, any claims arising from financial losses due to the present situation must be taken up with the Iraqi Government, and not with Iran.

Ambassador ARAM returned to Baghdad optimistic that the Abadan question will be settled soon, preferably at a technical level. Iran-Iraq relations have not deteriorated as a result of this dispute and the restrained press treatment in both countries demonstrates the existence of continuing good will on both sides.

Iranian Position on Damage Claims

Since this conversation was held, the Embassy and certain other diplomatic missions in Tehran have received written notice confirming Dr. Ameli's assertion that Iran does not hold itself liable for damage claims resulting from the present situation. (Emb Des 471).

POL:JPMulligan:mab

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The Embassy has also learned from the Foreign Minister that the Iranian view in this regard was conveyed to the Iraqi Ambassador at Tehran in a note delivered on February 27th. (EmbTel 1117) In the same note the Iranian Government suggested discussions at a technical level and expressed confidence that the details of coordination between Iranian berthing masters and Iraqi pilots could be easily worked out.

Press Treatment of Issue

Iranian papers have printed little news regarding the present situation at Abadan and have avoided editorial comment on this subject. Recent press mention of Iran's relations with Iraq has been generally associated with Ambassador Aram's return to Tehran for consultation and his talks with Prime Minister QASSEM.

"Kayhan International reported on March 6 that Ambassador Aram held a long talk on March 5 with Qassem, and quoted agency reports from Baghdad as saying that Iraqi officials described the talk as "cordial." Aram was also reported to have conferred earlier with Iraqi Foreign Minister JAWAD, who was quoted as saying that his country had "no dispute but a difference of opinion" with Iran over the Shatt al Arab. Kayhan International amplified this report with the explanation that late last month, "Iraqi pilots on the Shatt went on strike after Iran decided to take over the berthing of tankers at Abadan." A following paragraph stated that "current high-level talks in Baghdad are aimed at breaking the deadlock over shipping rights of Iraq and Iran in the Shatt."

Comment:

A practical solution to the Abadan berthing issue appears to depend to some extent upon an answer to the technical question of whether or not Iranian control of this operation will endanger navigation in the Shatt. Continued Iraqi refusal to provide pilotage, taken upon arguable technical grounds, has not thus far resulted in any extreme counter action by Iran. The Government continues to suffer sizeable daily losses in revenue as a result of cutbacks in refinery production. Minimum publicity has been given to this situation and the Government continues to hope and work for some concession on the part of Iraqi port authorities which will, as a minimum give the appearance that Iran exercises full sovereignty within its own territorial waters. The Government does not intend that this question be included in the agenda for discussions relating to the frontier, and management and navigation matters in the Shatt al Arab, but anticipates that Iraq may insist upon inclusion of this question as a non-separable item.

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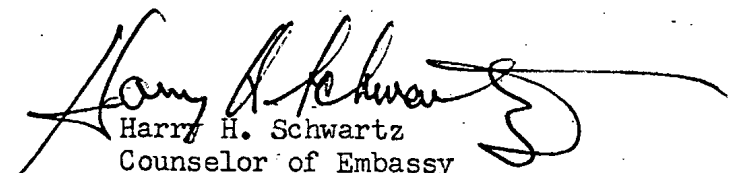
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It is not yet clear whether or not Iran is willing to allow the Abadan situation to deteriorate to the extent of sacrificing the good will created between the two countries in recent months and prejudicing its hope for a settlement of larger issues of historical importance in its relations with Iraq. The latter's action in proposing a discussion of these issues has been interpreted by some policy-making officials as the result of Iranian action in forcing the Abadan issue in lieu of postponing it further. Failure to arrive at least at an interim compromise solution, either as a result of mediation or influence exercised by an acceptable third party, or of some face-saving formula evolved by port authorities or higher officials of the two countries, could therefore result in further deterioration of the present situation. It seems likely that this would have occurred already had it not been for the Iraqi proposal to undertake general talks.

Iranian officials have declared privately their intention of ultimately providing pilotage if necessary to move ships to and from Abadan and have endeavored to cover the Government in the event of damage claims arising from the present situation. Any step taken by the Iranian Government to provide pilotage could well provoke further Iraqi reprisals and perhaps even inflame relations to the extent experienced in last year's controversy over Khosroabad. In such a situation Iran may elect to construe restrictive Iraqi action in the Shatt as an abrogation of the 1937 treaty.

The possibility also remains that both parties may agree on referral of this issue to the International Court of Justice, prior perhaps to any further deterioration of the present situation.

For the Ambassador:



Harry H. Schwartz
Counselor of Embassy
for Political Affairs

Enclosure:

1. Memorandum of Conversation
with Dr. Ezatollah AMELI.

cc: All Consulates Iran
AmEmbassy BAGHDAD
AmEmbassy LONDON
AmEmbassy ANKARA
AmEmbassy BEIRUT
AmConsulate BASRA

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AmEmbassy TEHRAN

MEMORANDUM OF CONVERSATION

DATE: February 27, 1961

SUBJECT: Shatt al Arab Dispute: Abadan Berthing Question.

PLACE: Ministry of Foreign Affairs

PARTICIPANTS: Dr. Ezatollah AMELI, Chief, First Political Division
John P. Mulligan, Second Secretary of Embassy

In a review of the current dispute between Iran and Iraq with respect to the question of Iranian control over the berthing of ships at Abadan, Dr. Ameli made the following statements:

1. The Iranian Government has tried patiently for a considerable period of time to obtain Iraqi agreement to the takeover of ship berthing operations at Abadan. Iraqi authorities have repeatedly postponed making any decisive reply to the Iranian request and the recent action taken by Iranian port authorities at Abadan is intended to force the Iraqi Government to acquiesce or come to an agreement on this question.

2. Despite Iraqi claims to the contrary, there has never been any formal agreement between the Consortium and the Basra Port Authority to provide berthing services at Abadan. The basis for the arrangement whereby the latter agency performed this service was a verbal agreement arrived at between officials of the Consortium and the Basra Port Authority, which was recorded in a memorandum of conversation prepared by a Consortium official, with a copy provided to the Basra authorities. The Consortium has recently provided written notice to the Basra Port Authority cancelling this arrangement.

During the oil nationalization period, and prior to the formation of the Consortium, a limited amount of oil products were shipped from Abadan without the benefit of berthing or pilotage services from the Basra Port Authority.

3. The Abadan berthing issue is a technical matter and not a political question. It should not be regarded as part of the problem of resolving fundamental questions concerning the border between the two countries.

4. Iranian port officials could even employ harbor masters who have previously operated under Iraqi authority at Abadan, or other experienced persons acceptable to the Basra Port Authority, if necessary to assure the Iraqi authorities that berthing operations will be handled by harbor masters of known competence with no risk to navigation in the Shatt. The nationality of the harbor masters employed at Abadan is not important. The point at

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issue is the establishment of Iranian responsibility and control within Iranian waters.

5. Iran is prepared to provide pilotage between the Gulf and Abadan if this step eventually becomes necessary.

6. Ambassador ARAM's conversations in Tehran were useful and he returned to Baghdad optimistic that a solution to this question will be reached in the near future and preferably at a technical level.

7. Iran's relations with Iraq have not deteriorated as a result of the Abadan berthing dispute and the fact that the press of both countries have treated this issue calmly and with minimum publicity shows that there is continuing good will on both sides.

Dr. Ameli was asked whether the Iranian Government had given due consideration to the possibility that it might be faced with substantial claims arising from financial losses suffered by companies involved as innocent parties or otherwise affected by this dispute. He replied that since the present dispute is confined to the question of ship movements entirely within Iranian territorial waters, and since it is the Iraqi Port Administration which has refused to provide pilots for navigation to and from Abadan, any claims arising from financial losses due to the present situation must be taken up with the Government of Iraq and not with Iran. He also said that the Iranian Government itself has already suffered a considerable financial loss as a result of this situation, and may claim damages therefor.

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FROM: Khorramshahr

TO: Secretary of State

NO: 38, March 2, 1 pm

SENT DEPARTMENT 38, REPEATED INFORMATION TEHRAN 136, LONDON
24, BASRA 24.

Tehran's 1117 to Department.

Iran customs minister informed Moghadam March 2 technical meeting between Abadan and Basra port authorities likely sometime after March 6. Moghadam proceeding Tehran for preliminary discussions.

Moghadam pleased at prospect high level discussions whole Shatt problem and possible referral ICJ. However, he maintained such discussions would not affect Iran rights Abadan berthing and further indicated if Iraq definitely refused provide pilots Iran would consider this abrogation 1937 treaty.

Although still no ship movement Abadan, Moghadam now permitting ships carrying supplies for refinery to unload in barges at Anchorages as well as load drummed bitumen exports.

Comment: I believe that if Iranians continue refuse discuss Abadan berthing issue, potentially serious situation can not be improved and indeed could be aggravated by overall discussion Shatt problem with such thorny questions as Khosrowaban, etc.

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Department of State

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Rec'd: MARCH 3, 1961
7:47 AM

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FROM: BAGHDAD

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TO: Secretary of State

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NO: 764, MARCH 3, 3 PM

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SENT TEHRAN 73, REPEATED INFORMATION DEPARTMENT 764,
LONDON 131, BASARA UNNUMBERED, KHORRAMSHAHR 19.

YOUR TELEGRAM 45 (1117 TO DEPARTMENT) SECOND

WOULD BE MOST INTERESTING TO KNOW WHETHER IRANIANS WILL
REFUSE DISCUSS ABADAN IF IRAQIS RAISE QUESTION IN
GENERAL TALKS ON SHATT. SEEMS TO US HERE THIS IS CRITICAL
ELEMENT IN PRESENT IMPASSE. DO YOU HAVE ANY CLEAR
IMPRESSION ON THIS POINT.

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